

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 871 - HB 1991

March 13, 2009

SUMMARY OF BILL: Extends past the age of 24, health insurance coverage for a dependent child of an insured if such child is under 30, does not have dependent children, and either legally resides with the parent or depends on the parent for support and maintenance.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Exceeds \$100,000*

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would not result in a significant increase in the cost of health insurance premiums for a continuation of current coverage.

Assumptions:

- The Department of Commerce and Insurance will regulate the mandated offering of coverage for dependent children beyond the limiting age in the same manner that other mandated coverage is regulated by reviewing and approving forms, policies, and contracts to ensure compliance. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Department of Finance and Administration, the State, Local Government, and Local Education Health Plans will not be impacted by the provisions of the bill
- The local governments that do not participate in the state sponsored health plans could see an increase in expenditures for the continuation of family plan premiums for an additional period of time. The increase is estimated to exceed \$100,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/kml